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AMBASSADOR'S RECEPTION ON THE OCCASION OF THE OPENING OF THE AMERICAN LIBRARY - MAY 15th 1961 at 6.p.m.

LIST OF GUESTS

Mr T.G. Abeysinghe	Educational Attache, Ceylon High Commission
Dr Danny Abse	Medical doctor, poet and novelist
Mr David Adams	Lecturer in American History at Keele
Professor and Mrs H.C. Allen	Commonwealth Professor of American History, University College, London
Mr and Mrs Walter Allan	Novelist and critic. Former editor (literary) of the New Statesman
Dame Cicily and Mr H. Andrews	Miss Rebecca West - distinguished author
Mr Francis Archibong	Nigerian Educational Attache
The Rev. and Mrs C.M. Armitage	Rector of St Bride's Church
Professor and Mrs Ayer	Grote Professor of Philosophy of Mind and Logic. Formerly at London University, now at Oxford.
Mr Wan Baharuddin	The Warden, Malayan Student Office
Miss Nancy Balfour	The Economist - American section
Mr and Mrs Alan Barker	The Headmaster, The Leys School Cambridge
Professor and Mrs Max Beloff	Gladstone Professor of Government and Public Administration
Mr and Mrs Thomas Blackburn	Poet. Mrs Blackburn is Rosalie de Meric, the sculptress
Sir Basil and Lady Blackwell	Chairman, Blackwells of Oxford

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Mr Ronald Bryden	Literary editor of the Spectator
Mr David Butler	Historian, Nuffield College Oxford
Mr and Mrs Keith Butler	Information policy dept. Foreign Office
Professor and Mrs C. Carrington	Formerly Professor of British Commonwealth Relations at Royal Institute of International Affairs
Mr and Mrs David Carver	Secretary of the P.E.N. (International Writer's Association)
Mr and Mrs Robert Collison	Librarian. B.B.C.
Mr Robert Conquest	Poet. Great authority on Russia and Communism
Mr and Mrs Trenchard Cox	Director, the Victoria and Albert Museum
Mr and Mrs Maurice Cranston	Philosopher and Assistant Editor of London Magazine
Dr and Mrs Bernard Crick	Lecturer in American Government at L.S.E. author of several books on American Government
Mr and Mrs Percy Cudlipp	Editor, New Scientist
Mr and Mrs T.S. Eliot	Poet and critic. Director of Faber and Faber
Mr and Mrs S.P.L. Filon	Director, National Central Library
Mr S.J. Forster	Warden, Gambia Office
Sir Frank and Lady Francis	Director of the British Museum
Mr and Mrs Louis Frewer	Superintendent, Rhodes House Library
Mr and Mrs Stanley Gillam	Secretary and Librarian of London Library
Mr and Mrs John Gloag	Authority on British architecture, particularly Victorian. Author of history of U.S.
Mr and Mrs Michael Hamburger	Poet and critic; lecturer in German at Reading university

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Mr Hamish Hamilton	Managing Director of Hamish Hamilton Publishers.
Mr Stuart Hampshire	Philosopher and critic, All Souls Oxford
Mr Rupert Hart-Davis	Managing Director of Rupert Hart Davis Publishers
Mr and Mrs Rayner Heppenstall	Poet and critic
Mr and Mrs David Holloway	Literary Editor, Daily Telegraph
Mr and Mrs W.K. Hynam	Warden, West Indian Students Hostel
Mr Edmond Ions	Commonwealth Fellow at Harvard 59-60 Now at Nuffield College
Miss Irene Jacoby	Warden, Friends International Group
Mr and Mrs A.W. James	Editor, Times Educational Supplement
Dr N.S. Junankar	Educational Attache, India House
Lord and Lady Kennett	'Wayland Young'. Both are critics and poets.
Mr and Mrs S.C. Khaliq	Cultural Attache, Pakistan High Commission
Mr and Mrs Denys Kilham Roberts	Secretary General, Society of Authors
Mr and Mrs Terence Kilmartin	Literary Editor, The Observer
Mr and Mrs Alan Hodge	Co-editor of History Today
Professor and Mrs William Jewell	Professor of Fine Arts, Boston University
Mr K.R. Kuppuswami	Warden, Harold Laski Hostel
Mr and Mrs Melvin Laski	Co-editor of Encounter
Mr and Mrs Laurie Lee	Critic and poet. Author of Cider with Rosie. etc
Mr John Lehmann	Poet and editor of London Magazine
Miss Naomi Lewis	Critic, writer and broadcaster

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Mr Maurice and the Hon. Mrs Macmillan	Chairman of Macmillans, the publishers Son of the Prime Minister
Mr Louis MacNeice	Poet, writer and classicist
Dr and Mrs S.D. Malaiperuman	Warden, YMCA Indian Students Union and Hostel
Mr John Mander	Assistant literary editor, New Statesman, poet and critic
Mr and Mrs C.S. Mardall	Embassy architect
Rev P.S.D. Martinson	Educational Attache, Ghana Student Office
Professor and Mrs William Medlicott	Distinguished historian, Professor of International History at London University
Mr and Mrs Karl Miller	Literary Editor, The New Statesman
Mr Michael Millgate	Department of English at Leeds University
Mr Fergus Montgomery	M.P. for Newcastle-upon-Tyne
Mr Charles Monteith	Director of Faber and Faber - in charge of textbooks in American Literature
Mr and Mrs Geoffrey Moore	Teaches American Literature at Manchester University
Mrs Dorothy Morland	Director of Institute of Contemporary Arts
Mr and Mrs John Morpurgo	Director of National Book League
Mr Eric Mottram	Lecturer in American Literature at King's College, London
Dr Clifford Musgrave	Director, Gallery and Museum at Brighton
Mr Herbert Nicholas	American historian at New College, Oxford, Chairman of British Association for American Studies

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Mr and Mrs C.E.A. Noah	Educational Officer, Sierra Leone
Professor Michael Oakeshott	Professor of Political Science at London School of Economics
Mr Isaac Okwirry	Assistant Public Affairs Officer, Kenya Government
Mr and Mrs John Pafford	Goldsmiths' Librarian, University of London
Mr and Mrs James Palmes	Librarian, Royal Institute of Architects
Mrs J.M. Patterson	Secretary, Royal Society of Literature
Dr and Mrs Richard Pear	American Studies specialist at London School of Economics
Mr and Mrs Jerzy Pietrkiewicz	Mrs P. is Christine Brook-Rose, critic and novelist. He is a poet and novelist and done at the Institute of Slavonic Studies, London University
Mr Anthony Powell and Lady Powell	Novelist and Critic
Mr and Mrs Michael Randolph	Editor Readers Digest
Mr and Mrs Peter Redgrove	Contributor to literary journals and broadcaster
Professor and Mrs Kenneth Robinson	Head of Institute of Commonwealth Studies at London University
Sir John and Lady Rothenstein	Director of the Tate Gallery
Dr. A.L. Rowse	Great scholar and poet
Professor and Mrs Simmons	Author of books on Imperial History at Leicester University
Mr and Mrs R.D. Smith	She is Olivia Manning the novelist. He is with BBC Television
Mr John Sparrow	Classicist. Warden, All Souls. Oxford
Mr and Mrs Richard Speaight	Cultural Relations Dept. Foreign Office, Observer on Fulbright Commission
Mr and Mrs Frank Thistlethwaite	American historian at St John's College Cambridge. Ex-President of BAAS

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Mr Anthony Thwaite	BBC formerly taught literature in Japan Well-known poet
Mr and Mrs Tisdall	Warden, William Temple House
Mr Lawrence Vambe	Information Officer, Rhodesia House
Professor Van Alstyne	Professor of History at University of Southern California, at University College, London University under Fulbright Program 60-61
Mr G.A. Walawalkar	Warden, Indian Home and overseas hostels Society
Mr Huw Weldon	Director of Monitor BBC television program
Mr and Mrs Dennis Welland	Department of English at Nottingham University
Sir Mortimer Wheeler	Secretary of British Academy
Mr and Mrs Leslie Wilson	Director of Association ofSpecial Libraries and Index Bureaux
Professor and Mrs Wimsatt	Professor of English at Yale
Professor and Mrs Wormald	Director of Institute of Historical Research, London University
Mr and Mrs David Wright	Editor of new literary review "X" Poet and critic
The Rt. Hon Kenneth Younger	Director-General of Royal Institute of International Affairs, Chatham House

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Dr Aaron Copland	Distinguished American composer
Mr Henry Reed	Contributor to literary journals. author of radio plays

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irritating and counter-productive.

I had lunch today at home with these members of the British press:

J. Illingsworth - Yorkshire Post
Douglas Clark - Daily Express
David Watt - The Scotsman
E.H.W. Atkinson - Birmingham Post
Adam Fergusson - Glasgow Herald.

This afternoon Mr. Bisset, interested in my visit next winter to the Isle of Man, came to see me. He is an engaging Scot, full of charm, dressed in a kilt. Robert Elson of Time-Life, the newly elected President of the American Press Correspondents in London, visited me. I explained to him why we were confining invitations to the Fourth of July party to British officials, chiefs of mission of the Diplomatic Corps, and officers of Anglo-American organizations. I am sending out letters on this subject today.

Dr. Raymond J. Saulnier, former chairman of the Council of Economic Advisers, called on me and I spent an instructive hour with this intelligent man.

We dined tonight with Leslie and Rex Benson. Leo d'Erlanger, Esmé and Rowlie Cromer were there. Baba Metcalfe came in after dinner.

May 17, 1961 - Wednesday

I went to see the Irish Ambassador, Hugh James McCann, this morning. Born in 1916 in Dublin, he was educated there and at the London School of Economics. He is married to an American, Virginia Larkin, daughter of Lt. General Thomas Larkins, USA, Retired

He served in Washington for six years where he met his wife. Afterwards, he was Irish Minister to Switzerland and Austria. He

struck me as having an unusually pleasant personality.

We had a lunch today for the Peruvian Ambassador and Madame Schreiber. Present were:

Prince and Princess Matila Ghyka
Lord and Lady Killearn
Sir Lancelot and Lady Oliphant
Sir James and Lady Dodds
Mr. and Mrs. Jebsen.

Lew Douglas came to see me this morning but as both of us were in a great hurry, we have arranged to meet tomorrow. Messrs. Lyons and Fitzgerald of Pan American Airways called on me.

The Belgian Ambassador, Jacques de Thier, came in this afternoon. His last post was in Canada. He also served 12 years in the United States. As Ambassador to Mexico from 1955-58 he was a friend of Francis White. I thought him sensible and intelligent.

Mr. Robert Robinson, who writes a column for the Sunday TIMES, interviewed me this afternoon in connection with a profile they seem to have in course of preparation. George Ball arrived this morning to conduct conversations on textile matters, and I had a long talk with him this afternoon.

Tonight we dined with the Radziwills. The von Hoffmanstahls, Lady Lambton, Mr. Kennedy - a British journalist - Pam and Leland Hayward, and others were there. Radziwill told me he had originally financed Klajman in New York, and his sister had saved Klajman's life when he was being pursued as a Jew in Warsaw. It was a delightful evening, but after I returned hom about 1 o'clock, I sat up until 2AM drafting a telegram at George Ball's request on the Sixes and Sevens. It went out as follows:

feeble health, and has never recovered from his operations.

The American Chamber of Commerce gave me a lunch today at the Savoy Hotel. There were over 550 members present, the largest assemblage they ever had, but this was not due to me. I sat between Mr. Hubbell, President of the Chamber and head of the Hanover Bank here, and Derek Hoyar-Millar, Permanent Under-Secretary of the Foreign Office. I made a speech with numerous emendations and additions. The formal part was about like this:

(See next pages).

At 4 o'clock this afternoon, I had a USIS briefing in the course of which the individual duties of the officers were set forth. Tommy Lamont came in to see me. He is steamed up over the Channel Tunnel. I spent most of the evening talking to George Ball and Bob Schaetzel, who left tonight.

The habits of birds in England are followed more carefully than in any other place I have ever lived. Letters to the TIMES announce the arrival, in remote portions of the country, of rare, feathered folk. The habits of those in our own garden are singular. There is a mallard duck who nested in a leaden tub on the terrace. When her brood hatched, she led them down to the pond. Her well-feathered nest was almost immediately occupied by another duck who, camoflaged in ferns and geraniums, is probably laying eggs like mad. Meanwhile her boy friend makes an occasional flight, lies on grass nearby, and goes to sleep. At night, the mallards, unwilling to remain on their pond, come up and nest on the grass. In the past, I viewed them

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SPEECH BY THE HON. DAVID K.E. BRUCE,
AMERICAN AMBASSADOR TO THE COURT OF ST. JAMES'S,
TO THE AMERICAN CHAMBER OF COMMERCE, SAVOY HOTEL, MAY 18, 1961.

On this, my first opportunity to meet you formally, and take part in a programme arranged by the American Chamber of Commerce, I want to express my appreciation for your welcome and to assure you of my deep interest in the important role you play in Anglo-American economic relations. Trade and economic exchanges between the United States and Britain have a long, honourable and mutually profitable history; your organisation has made a major contribution to the understanding that links our two countries.

Today, I should like to talk to you about the present position of the American economy, the nature of our economic problems, and the programmes of President Kennedy for meeting them. If this seems unduly restricted to domestic American affairs, I must plead a recent arrival's privilege of restricting his comments to subjects with which he is most familiar. Yet our domestic economic circumstances are closely related to our foreign economic policies, and the President's programmes are an integral part of our whole foreign policy.

Obviously, time will not permit me to dwell upon the inter-relationship between economic and political policies. Some American historians have advanced the thesis that the course of our history has been almost wholly determined by the workings of our economic system.

If this were ever true - a highly debatable point - it certainly is not true today. Even in the most open societies, political considerations and decisions limit the scope, and influence the nature of economic plans and operations. Nor does it appear probable that, in our lifetimes, such Governmental supervision and controls will diminish; in fact, they are more likely to increase.

Nevertheless our free enterprise systems, reflecting the strong individualistic desires of our peoples, will continue successfully and profitably to adapt themselves to such restrictions, if they be reasonable, that seem necessary to the national welfare. I should like to say more on this complex topic upon some other occasion.

As you are aware, there is much evidence that the recent recession in the United States is coming to an end. Apparently the past winter marked its low point; gross national product during the first quarter of 1961, declined to $499.5 billion from an annual rate of $503.5 billion in the final quarter of 1960, and the rate of unemployment rose to nearly 7 per cent of the labour force. This decline in output was only a little more than a one per cent drop from the peak annual rate of the second quarter of 1960.

But even during this wintry period, when blizzard after blizzard was chilling economic activity, there were signs that the bottom had been reached. The Federal Reserve index of industrial production, which had dropped in January to 102 per cent of the 1957 base, remained steady at that level in February and March. During this time, declines in some industries were offset

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by increases in others. Automobile production was cut back, but steel production rose, while, toward the end of the quarter, retail sales, wage payments, and employment began to improve. By the latter part of April, the Secretary of the Treasury, Mr. Dillon, was able to tell an audience of newspaper men,

> "The innate strength of our economy, the increase in Government outlays....., and the automatic action of the so-called built-in stabilisers, are apparently putting an end to the current recession. Looking backward we may well find that the turning point was reached in early March."

Moreover, there are signs of further improvement, indicated by the most recent statistics. ~~In March, the Federal Reserve Board reported that its ninth quarterly Survey of Consumer Buying Intentions, conducted in early 1961, revealed that the proportion of consumers reporting plans to buy new and used automobiles in the next six months was about the same as in January 1960. The Department of Commerce survey of business investment and sales expectations, published in the same month, indicated only a small reduction of 3 per cent, as compared with 1960, in investment plans for the first half of 1961, to be followed by improvement in the latter half, while sales are expected to increase in 1961 to a monthly average 10 per cent above the January levels. Housing starts have risen. In April, employment went up by more than 200,000, and the number of unemployed dropped, with a total employment of 65.7 million. Despite this, the rate of unemployment, as a percentage of the labour force, remained at 6.9 per cent, and five and a half million remain out of work.~~

On another front, also, there has been considerable improvement. The drain on our gold reserves, which attracted so much attention last year, has ceased. Much of this drain was connected with a large outflow of short-term capital, partly in response to high interest rates abroad, and partly owing to doubts concerning our intentions and ability to restore balance in our foreign accounts. Our export surplus of goods and services last year was nearly $7 billion, but even this large figure was surpassed by the total of our military expenditures abroad, economic assistance to other countries, and private American long-term investments overseas. The result was that we had a "basic" deficit last year of something like one and a half billion dollars, to which was added a heavy outflow of short-term capital. Preliminary figures for the first quarter of 1961 show a great improvement. The movement of short-term funds was on a much smaller scale, and our "basic" deficit appears to have been turned into a modest surplus.

Much is being done to ensure that this improvement will continue. The programme includes new assistance to American exporters through export credit insurance; tax changes; emphasis on American procurement under our military and economic assistance programmes; a reduction in the duty-free allowances for returning American tourists; and finally, examination of the possibilities for strengthening the international monetary system, and for handling the difficulties caused by short-term capital movements.

But even allowing for the evident upturn in the domestic economy, and the substantial improvement in our international accounts, it is clear that recovery alone will not solve our national economic problems. Though, during the recession of the past year, figures for total employment remained almost consistently at historically high levels, month by month those for unemployment were also rising, from less than 4 million in February 1960 to a high of 5.7 million in February 1961.

What happened was that the population and the labour force increased more rapidly than new jobs could be created. In the year from February 1960 to February 1961, nearly two million new workers entered the labour force. Moreover, it is estimated that the annual intake of new workers will increase during this decade to more that three and one-half million.

This is, of course, the consequence of our rapid post-war rate of population accretion. According to some estimates, the population of the United States will grow during the sixties, by about 30 million. In the long run, of course, the consumption demands of this increased population will help create the

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additional jobs required for new entrants into the labour force, but in the short-run, there are many questions yet to be solved.

Similarly, there is a certain amount of structural unemployment due to shifts in consumer demand from present products and services to others. Examples are the shift from coal to oil, from rail to road transport, from standard cars to compacts, from goods in general to services. These shifts are an essential part of the flexibility of our economy, and the unemployment resulting from them can be regarded as temporary rather than permanent in nature, if we can be sure that the expanding industries will grow fast enough to absorb the manpower and other resources released by the declining industries, by increased automation, and by other mechanical efficiencies.

Viewed in these terms, our domestic economic problem is that of stimulating a rate of economic growth sufficient to utilise fully the resources of manpower and equipment we possess. In his Economic Message to Congress on February 2nd, President Kennedy said:

> "I have emphasised that the solution to our economic problem requires a programme that goes well beyond anti-recession measures, important as these are to the relief of distress and the reversal of economic decline. Equally important are measures for the longer pull to restore our economy to its full potential and to accelerate economic growth. Fortunately, the measures to overcome recession, to take up the slack, and to speed growth all reinforce each other."

In a series of important messages to Congress, the President outlined his programme. Aside from interim anti-recession measures designed to step up the disbursement of authorised Government expenditures, they include tax proposals for increased depreciation allowances to stimulate new investment, proposals on housing, on minimum wages, on the rehabilitation of "distressed areas", on agriculture, on education and on health services. These proposals cover the three broad components of the problem -- investment, manpower and improving the skills and welfare of the growing population. They fit together in a pattern designed to lay the foundations for a future large and balanced economic growth.

They are calculated to raise the operating rate of the economy to a level nearer its present capacity, to encourage the creation of new capacity, and to employ existing reserves of manpower and expected increases in it. The objective is not a theoretical, unattainable full employment, but a rate of output which will permit, as Mr. Dillon put it in the speech I referred to earlier, a steadily expanding economy, and a rate of growth sufficient to give us an ever-rising standard of living, and to provide jobs for all; sufficient to assure the education of youth, and the health and security of the aged; capable of providing adequately for national defence, and of furnishing our fair share of the development needs of less fortunate people.

Our resources for accomplishing these ends are ample. Productive capacity in practically all lines is currently under-utilised; we have a large reserve of unemployed manpower. Our aim is to co-ordinate these factors, to raise the operations of the economy to a higher level, and to achieve a higher output. Such output, in turn, would permit us to increase goods available for consumption, provide the capital for investment in expanded production facilities, and a reserve to meet our foreign obligations.

It is not a budgetary problem. With all his proposals, the President has coupled specific suggestions for financing them, and the budget deficit this year is expected to be only a little over $2 billion. Another budgetary deficit of similar proportions is expected next year. But the increased output anticipated from the successful development of the President's programmes can be expected not only eventually to eliminate the deficits, as the economy grow, but to permit their purposes to be realised under conditions of relative price stability.

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One further point should be mentioned: The President's recommendation, centred on the objectives of growth, and involving an integrated sector-by-sector approach, is consistent with the liberal international economic policy of the United States, and is calculated to sustain it. Faced with an adverse balance of payments situation upon its accession to power, the present Administration, like other Administrations before it, has deliberately chosen to balance our international accounts at a higher rather than a lower level, and its domestic measures are consciously framed to permit the maintenance of those policies to the utmost extent possible.

The Kennedy economic programme, however, assumes increased international co-operation among countries of the Free World. Its objective in the domestic field is economic growth; its objective in the foreign field is the same, economic growth. The necessity for expansion of the Free World economy poses a challenge to every nation in the Free World. The Administration is pursuing, in trade, aid, and international financial relationships, active policies of seeking international co-operation in the solution of this common task.

The evidence of recent years is clearly that the economies of the Free World are becoming more and more inter-dependent. The economic growth of the United States and that of Europe are inextricably interlinked; neither can long continue unless together we make similar increases possible for those who are just beginning the process of development.

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